

BEFORE THE  
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF: )  
 )  
SPECTROTEL, INC. ) No. 04-0078  
 )  
Application for a Certificate )  
to Operate as a Reseller of )  
Interexchange and Local )  
Telecommunications Services and )  
as a Facilities-Based Carrier )  
of Local Telecommunications )  
Services, Statewide in the )  
State of Illinois. )

Chicago, Illinois

March 15th, 2004

Met pursuant to notice at 10:00 a.m.

BEFORE :

MR. JOHN RILEY, Administrative Law Judge.

APPEARANCES:

MS. KAREN CHANG  
527 East Capitol Avenue  
Springfield, Illinois 62701  
appeared for Staff of the  
Illinois Commerce Commission

SULLIVAN REPORTING COMPANY, by  
Teresann B. Giorgi, CSR

1	I N D E X		
2			
3	<u>WITNESSES:</u>	<u>DIRECT</u>	<u>CROSS</u> <u>BY EXAMINER</u>
4	Mona Power		4
5		6	11
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8			
9	<u>EXHIBITS</u>		
10	<u>APPLICANT'S</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
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12	2	17	18
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1 JUDGE RILEY: Pursuant to the authority of  
2 the Illinois Commerce Commission, I now call  
3 Docket 04-0078. This is an Application by  
4 Spectrotel, Incorporated, for a Certificate to  
5 operate as a reseller of interexchange and local  
6 telecommunications services and as a  
7 facilities-based carrier of local telecommunications  
8 services statewide in the State of Illinois.

9 I understand that the Applicant is  
10 proceeding this morning without Counsel.

11 MS. POWER: That's correct.

12 JUDGE RILEY: Okay. Ms. Chang, would you enter  
13 an appearance for Staff, please.

14 MS CHANG: Yes. My name is Karen Chang. I work  
15 for Illinois Commerce Commission at Rate Department  
16 at Telecommunications Division. I am locate at  
17 527 East Capitol Avenue, Springfield, Illinois  
18 62701.

19 Thank you.

20 And Ms. Power, are you prepared to  
21 testify this morning?

22 MS. POWER: Yes, I am.

1 JUDGE RILEY: All right.

2 (Witness sworn.)

3 MONA POWER,

4 called as a witness herein, and after having been

5 first duly sworn, was examined and testified as

6 follows:

7 EXAMINATION

8 BY

9 JUDGE RILEY:

10 Q Ms. Power, would you state your name and

11 business address for the record, please.

12 A My name is Mona Power. Our address is 655

13 Shrewsbury Avenue, Shrewsbury, New Jersey 07702.

14 Q Thank you. And did prefile testimony with

15 the Illinois Commerce Commission in this matter?

16 A Yes, I did.

17 Q And was this testimony prepared by you or

18 at your direction?

19 A Yes, it was.

20 Q Do you have a copy of that testimony before

21 you?

22 A Yes, I do.

1 Q As you review that testimony this morning,  
2 are there any changes that you would make to it?

3 A Yes. On Page 9, the question, Has the  
4 company ever provided service under any other name?  
5 And the answer to that question should be, Yes,  
6 Plan B Communications.

7 Q Say it, again. The answer is "Yes," and  
8 the name of the company?

9 A Plan B Communications.

10 Q Was that Plan B Communications,  
11 Incorporated or just Plan B Communications?

12 A Incorporated.

13 Q And what is the status of Plan B  
14 Communications now?

15 A Plan B Communications is no longer in  
16 business. We filed Chapter 11 in 2001. And upon  
17 emerging from Chapter 11 we changed the name from  
18 Plan B Communications to Spectrotel.

19 Q Okay. I'm sorry, Plan B, it's out of  
20 bankruptcy?

21 A VOICE: Yes.

22 A Yes.

1 JUDGE RILEY: That question was just for  
2 Ms. Power.

3 THE WITNESS: Yes, it's out of bankruptcy.

4 JUDGE RILEY: All right.

5 Q And when it came out of bankruptcy, the  
6 name was changed to Spectrotel, is that correct?

7 A That's correct.

8 Q Are there any other changes to your  
9 testimony?

10 A No, that's the only change to the  
11 testimony.

12 JUDGE RILEY: All right, then. Ms. Chang, I am  
13 going to turn the witness over to you for the time  
14 being. You may proceed with any questions you have.

15 MS. CHANG: Okay. This is Karen Chang from  
16 Springfield, Illinois. I have some questions for  
17 Ms. Power.

18 CROSS EXAMINATION

19 BY

20 MS. CHANG:

21 Q Ms. Power --

22 A Yes.

1       Q       -- my question was, are you aware the ILEC  
2   that you work with, which is Ameritech, are  
3   currently filing to increase UNE rates?

4       A       Yes, we're aware of that and we're  
5   following the proceedings.

6       Q       Okay. You said you will be keeping your  
7   books not in Illinois?

8       A       Right. In Shrewsbury, New Jersey, at our  
9   corporate office.

10      Q       Okay. Mr. Craig Neeld has e-mailed me some  
11   financial information, and I, also have forward that  
12   to Judge Riley.

13      A       Okay.

14      MS. CHANG: Do we need to enter that as exhibit  
15   officially?

16      JUDGE RILEY: What is it, specifically, that  
17   you're referring to, Ms. Chang?

18      MS. CHANG: This was a more current financial  
19   information. It was e-mailed to me on February  
20   25th. And I also asked them to cc to you. It's  
21   unaudited financial information.

22      JUDGE RILEY: What I have are, balance sheet,

1 statement of operations and retained earnings and a  
2 statement of cash flow.

3 MS. CHANG: Right.

4 JUDGE RILEY: That's all dated December 31,  
5 2002.

6 MS. CHANG: Right. All of that information is  
7 still consistent.

8 THE WITNESS: What we gave her was a  
9 consolidated view of the projections in the same  
10 format as our previous 2002 filings.

11 JUDGE RILEY: What I need to know, Ms. Chang,  
12 was information submitted to you that superceded the  
13 information on the Commission e-docket system?

14 MS. CHANG: It's more current than the one on  
15 e-docket system.

16 JUDGE RILEY: Okay. I didn't receive that. You  
17 say you forwarded that to me?

18 MS. CHANG: It was sent to me and to you on  
19 February 25th on e-mail.

20 JUDGE RILEY: The documents that I'm looking at  
21 here, dated December 31, 2002, are these outdated  
22 now?

1 MS. CHANG: Yes.

2 JUDGE RILEY: Hold on a minute. Let me take a  
3 look here.

4 I do have another document,  
5 Spectrotel, Incorporated, Balance Sheet,  
6 December 31, 2003, Preliminary and Unaudited Assets,  
7 is that what you're referring to?

8 MS. CHANG: Yes, sir.

9 JUDGE RILEY: This is a single page, is that  
10 correct?

11 MS. CHANG: I think you didn't print the  
12 complete worksheets. That single page is on Page 1.  
13 And then they have Sheet 2, which is the Statement  
14 of Operation and Return Earnings.

15 JUDGE RILEY: All right. How many pages total  
16 are we talking about?

17 MS. CHANG: Three.

18 JUDGE RILEY: And this document that I just  
19 referred to, this was not submitted to our e-docket  
20 system, is that correct?

21 MS. CHANG: Yes, sir -- no, sir.

22 JUDGE RILEY: Okay. I'm going to need those

1 other two pages.

2 MS. CHANG: It's in that workbook.

3 JUDGE RILEY: What workbook?

4 MS. CHANG: The workbook you print the first  
5 sheet with.

6 I have reviewed the rest of the  
7 financial information. And the company appears to  
8 have a sufficient financial strength to upkeep with  
9 the operation.

10 JUDGE RILEY: Well, that's your recommendation.  
11 It's a little bit premature.

12 Do you have any other questions for  
13 Ms. Power?

14 MS. CHANG: No, sir.

15 JUDGE RILEY: Okay. Then, we'll get back to the  
16 matter of the financials in just a moment. There  
17 were a couple of issues there we have to deal with.

18 MS. CHANG: Okay.

19 JUDGE RILEY: Ms. Power, I'm going to take over,  
20 then.

21 Ms. Chang, that is all the questions  
22 you have?

1 MS. CHANG: Yes, sir.

2 JUDGE RILEY: All right. Thank you. Stay on

3 the line with me.

4 MS. CHANG: Okay.

5 JUDGE RILEY: I'm going to need you a little

6 later.

7 MS. CHANG: Right.

8 FURTHER EXAMINATION

9 BY

10 JUDGE RILEY:

11 Q Ms. Power, it's my understanding from the

12 Application that Spectrotel is requesting authority

13 under Sections 13-404 and 13-405 of the Illinois

14 Public Utilities Act to provide resold local and

15 facilities-based local services in Illinois, is that

16 correct?

17 A That's correct.

18 Q Does the company -- excuse me, strike that.

19 Then this does not contemplate

20 interexchange services at this time, is that

21 correct?

22 A Yes, actually --

1       Q     Oh, it will be resold local and long  
2 distance and facilities-based local and  
3 facilities-based long distance?

4       A     Yes, that's correct.

5       Q     Then, what we need to do then --

6       A     No, not facilities-based long distance.  
7 Resold long distance, resold and facilities-based  
8 local.

9       Q     Okay. Thank you. That clears that up.

10               And is the name that appears on the  
11 Application the same name that is to appear on the  
12 certificates?

13       A     Yes, it is.

14       Q     Will there be any doing business as or  
15 assumed names?

16       A     No, there won't.

17       Q     Who will do the technical support for the  
18 company? Will that be the company itself or will  
19 there be an underlying carrier -- will it be  
20 contracted out?

21       A     We provide the first line of technical  
22 support. We have our own customer care team. And

1 then we work with Verizon to do loop testings -- not  
2 Verizon, I'm sorry, Ameritech. We will work with  
3 the LEC to do testing, as well.

4 Q Will the company adhere to all federal and  
5 state laws with regard to slamming and cramming?

6 A We will.

7 Q Will the company be offering  
8 operator-assisted services or will that be handled  
9 by an underlying carrier?

10 A Will be handled by an underlying carrier.

11 JUDGE RILEY: That's all the questions that I  
12 have at this time.

13 I want to mark your prefiled testimony  
14 with the change on Page 9 that we had discussed  
15 earlier, and mark that as Applicant's Exhibit 1.

16 (Whereupon, Applicant's  
17 Exhibit No. 1 was marked  
18 for identification.)

19 JUDGE RILEY: Ms. Chang, could you, possibly,  
20 fax to me the other two pages of that December 31,  
21 2003 financial information?

22 MS. CHANG: Sure.

1 JUDGE RILEY: I don't have the other two pages.  
2 I don't know why.

3 MS. CHANG: At what number would you like me to  
4 fax it to?

5 JUDGE RILEY: 312-814-7289.

6 MS. CHANG: Okay. Would you like for me to fax  
7 that now?

8 JUDGE RILEY: Could you do it immediately?  
9 Would that be possible?

10 MS. CHANG: Yes.

11 JUDGE RILEY: I would like to see it before I  
12 conclude the record in this matter.

13 Ladies and gentlemen, it will only  
14 take a couple of minutes. If you could just bear  
15 with us.

16 MS. CHANG: Okay.

17 JUDGE RILEY: I'm going to go to the fax  
18 machine. I'll wait for it right there. Thank you.

19 (Whereupon, a short  
20 recess was taken.)

21 JUDGE RILEY: Ms. Chang, unfortunately, the  
22 copies that you sent me, the fax copies, they're

1 barely legible. I don't know if something got  
2 garbled in the transmission or not, but I can barely  
3 read the numbers and they certainly can't be used as  
4 evidence.

5 THE WITNESS: Would you like us to send it to  
6 you?

7 JUDGE RILEY: Oh, that will be fine.

8 THE WITNESS: We can e-mail it to you, if you  
9 prefer, or would you rather have a faxed copy?

10 JUDGE RILEY: If you can e-mail it to me right  
11 now.

12 THE WITNESS: Can I get your e-mail address?

13 JUDGE RILEY: Yes.

14 (Whereupon, a discussion  
15 was had off the record.)

16 JUDGE RILEY: Back on the record.

17 What I have from Ms. Chang is an eight  
18 and a half by eleven form --

19 MS. CHANG: Right.

20 JUDGE RILEY: -- and it simply says, Spectrotel,  
21 Incorporated, Statement of Cash Flows, that was the  
22 first page that came out, for the period ending

1 December 31, 2003, Preliminary and Unaudited.

2 MS. CHANG: Right.

3 JUDGE RILEY: And there were three pages

4 following.

5 THE WITNESS: That's correct. And each one of

6 those pages is on a separate worksheet in an Excel

7 spread sheet.

8 JUDGE RILEY: Okay.

9 THE WITNESS: So, when you print it off, you

10 need to print off the entire workbook instead of

11 just one sheet, and it will get you three pages.

12 JUDGE RILEY: How voluminous is the entire

13 workbook?

14 THE WITNESS: It's just the three pages.

15 JUDGE RILEY: Okay. Why don't you send that to

16 me and I'll take a look at it, and we can just go

17 from there.

18 THE WITNESS: Craig, can you send that?

19 MR. NEELD: Yes, it's already been sent.

20 JUDGE RILEY: Okay. I'll go back to my office

21 and get it. I'll be back in just a few minutes.

22 (Whereupon, a short

1 recess was taken.)

2 JUDGE RILEY: I have obtained the financial data  
3 from the company, as it was submitted to me through  
4 an e-mail just a moment ago, and I have three  
5 perfectly legible copies of a Balance Sheet, a  
6 Statement of Operations and Retained Earnings and a  
7 Statement of Cash Flows all for the period ending  
8 December 31, 2003, Preliminary and Unaudited.

9 I would like to mark that as  
10 Applicant's Exhibit 2.

11 (Whereupon, Applicant's  
12 Exhibit No. 2 was marked  
13 for identification.)

14 JUDGE RILEY: And before we go any further, I  
15 trust that the Applicant is moving for the admission  
16 of Ms. Power's testimony, designated as Applicant's  
17 Exhibit 1 into evidence, is that correct?

18 THE WITNESS: Correct.

19 JUDGE RILEY: I'm sorry?

20 THE WITNESS: That's correct.

21 JUDGE RILEY: Thank you. And Ms. Chang, is  
22 there any objection from Staff?

1 MS. CHANG: No objection.

2 (Whereupon, Applicant's

3 Exhibit No. 1 was

4 received in evidence.)

5 JUDGE RILEY: Applicant's Exhibit 2 is the

6 financial data that I have just described. And is

7 the company moving for the admission of that

8 information into evidence?

9 THE WITNESS: Yes, we are.

10 JUDGE RILEY: That is marked as Applicant's

11 Exhibit 2.

12 Ms. Chang, is there any objection from

13 Staff?

14 MS. CHANG: No objection.

15 JUDGE RILEY: Then, Applicant's Exhibit 2 is

16 admitted into evidence.

17 (Whereupon, Applicant's

18 Exhibit No. 2 was

19 received in evidence.)

20 JUDGE RILEY: I'm going to mark as Applicant's

21 Exhibit 3 the management profiles that were

22 submitted to the Commission's e-docket system.

1       Q       Ms. Power, are you familiar with the  
2 management profiles that were submitted to our  
3 e-docket system?

4       A       Yes, I am.

5       Q       And, are there any changes to those  
6 profiles, as you sit here today?

7       A       No, there aren't.

8                               (Whereupon, Applicant's  
9                               Exhibit No. 3 was marked  
10                              for identification.)

11       JUDGE RILEY:   Q   And is the company moving for  
12 the admission of Applicant's Exhibit 3 into  
13 evidence?

14       A       Yes, we are.

15       JUDGE RILEY:   And, Ms. Chang, is there any  
16 objection from Staff to the admission of Applicant's  
17 Exhibit 3?

18       MS. CHANG:   No objection.

19       JUDGE RILEY:   Then, Applicant's Exhibit 3 is  
20 admitted.

21

22                               (Whereupon, Applicant's

Exhibit No. 3 was  
received in evidence.)

3 JUDGE RILEY: And the last order of business  
4 that I have is the matter of the confidentiality and  
5 proprietary nature of the financial information that  
6 was submitted.

7 Q Is the company still requesting  
8 confidential and proprietary treatment of that  
9 financial information?

10           A       Yes, we are.

11 JUDGE RILEY: And, Ms. Chang, is there any  
12 objection from Staff?

13 MS. CHANG: No objection.

14 JUDGE RILEY: Then, I will note to the  
15 Commission that the financial data, marked as  
16 Applicant's Exhibit 2, should be maintained in a  
17 confidential and proprietary manner. And, I will,  
18 also, make that note to the office of the Chief  
19 Clerk of the Commission.

20 Ms. Chang, did you have anything  
21 further for the Applicants?

22 MS. CHANG: No, your Honor.

1 JUDGE RILEY: Q Did the Applicants have  
2 anything further?

3 A Your Honor, there are a couple of changes  
4 to the Application. Question 9, List the  
5 jurisdictions to which the Applicant is offering  
6 service. We add Pennsylvania to that list.

7 Q Then, the company has motioned for the  
8 inclusion of Pennsylvania to the answer on the  
9 Application No. 9, List jurisdiction which Applicant  
10 is offering services.

11 Were there any other changes?

12 A Yes. On the Application, Question 13, Will  
13 the Applicant keep its books and records in  
14 Illinois? There's a typo. It says Talk America and  
15 it should read Spectrotel, Inc.

16 Q Is it in Question 13?

17 A 13 of the Application.

18 Q And the company is moving to amend the  
19 answer to Question 13 of the Application to reflect  
20 Spectrotel and not Talk America, is that correct?

21 A That's correct.

22 Q Okay. That motion is granted.

1           A       And the third and final is in Appendix A,  
2 Standard Questions.

3           Q       Just a moment, I don't know if I have a  
4 copy of that or not.

5                       Go ahead.

6           A       In the third paragraph of our answer it  
7 says, New Hope, Pennsylvania. It should read  
8 Schrewsbury, New Jersey.

9           Q       So amend Appendix A attached to the  
10 application, the third paragraph, to reflect  
11 Schrewsbury, New Jersey.

12          A       That's correct.

13          Q       And delete New Hope, Pennsylvania.

14                       Ms. Chang, does the Staff have any  
15 objection to any of the motion for changes that were  
16 just made to the Applicant and Appendix A?

17          MS. CHANG: Staff has no objection.

18          JUDGE RILEY: All right, then, all three of  
19 those motions are granted.

20                       And was there anything further?

21          THE WITNESS: Nothing from us, your Honor.

22          JUDGE RILEY: Anything further from Staff?

1 MS. CHANG: No.

2 JUDGE RILEY: Thank you, then. I will direct  
3 the Court Reporter to mark this matter heard and  
4 taken.

5 HEARD AND TAKEN

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